

## Message Text

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ORIGIN XMB-04

INFO OCT-01 ARA-10 ISO-00 EB-07 CIAE-00 DODE-00 INR-07

NSAE-00 PA-02 USIA-15 PRS-01 SP-02 AID-05 COME-00

FRB-01 TRSE-00 OPIC-06 CIEP-02 LAB-04 SIL-01 OMB-01

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DRAFTED BY XMB:AMOHANIAN/RLS

APPROVED BY EB/IFD/ODF RANDOLPH A. SWART

DAVID O. BEIM

ARA/BR - TSHUGART (INFO)

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R 310215Z JAN 76

FM SECSTATE WASHDC

TO AMEMBASSY BRASILIA

AMCONSUL RIO DE JANEIRO

UNCLAS STATE 024269

E.O. 11652:N/A

TAGS: APUB, BR

SUBJECT: PRESS RELEASE ON EXIMBANK CREDIT TO BRAZIL

FOR YOUR INFORMATION ONLY, FOLLOWING IS FINAL TEXT OF  
EXPORT-IMPORT BANK RELEASE ON THE DIRECT CREDIT OF  
DOLS 23,360,000 TO COMPANHIA DO METROPOLITANO DO RIO DE  
JANEIRO (RIO METRO). RELEASE IS SCHEDULED FOR ANNOUNCEMENT  
HERE IN WASHINGTON, D.C. FOR A.M. PAPERS,  
TUESDAY, FEBRUARY 3, 1976.

QUOTE: EXIMBANK CREDIT OF DOLS 23,360,000 SUPPORTS DOLS 58.4  
MILLION SALE OF U.S. EQUIPMENT FOR SUBWAY SYSTEM IN  
BRAZIL

THE EXPORT-IMPORT BANK OF THE UNITED STATES WILL HELP FINANCE  
THE U.S. SALE OF DOLS 58.4 MILLION IN SUBWAY CAR COMPONENTS  
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TO COMPANHIA DO METROPOLITANO DO RIO DE JANEIRO (RIO METRO)

WITH A CREDIT OF DOLS 23,360,000. RIO METRO IS AN ENTITY OF THE STATE OF RIO DE JANEIRO. ITS PURPOSE IS TO CONSTRUCT AND OPERATE A SUBWAY AND SURFACE LEVEL RAPID TRANSIT SYSTEM FOR THE RIO DE JANEIRO METROPOLITAN AREA. THE SYSTEM IS EXPECTED TO COVER SOME 55 MILES WITH 9 SECTIONS AND 71 STATIONS.

RIO METRO WILL PURCHASE COMPONENTS FOR 210 SUBWAY CARS FROM WESTINGHOUSE ELECTRIC CORPORATION OF PITTSBURGH, PENNSYLVANIA, AND THE BUDD COMPANY OF TROY, MICHIGAN. ADDITIONAL ORDERS FROM U.S. SUPPLIERS ARE BEING NEGOTIATED. WESTINGHOUSE'S ORDERS WILL TOTAL SOME DOLS 18.7 MILLION AND BUDD'S PORTION IS OVER DOLS 11.4 MILLION.

THE PROJECT CONSISTS OF THE ENGINEERING, DESIGN, CONSTRUCTION, AND EQUIPPING OF A PORTION OF THE RIO METRO SYSTEM DESIGNATED AS STAGE 1, AT AN ESTIMATED TOTAL COST OF OVER DOLS 1 BILLION.

EXIMBANK'S CREDIT COVERS 40 PERCENT OF THE TOTAL U.S. PURCHASES OF DOLS 58.4 MILLION. A CREDIT OF DOLS 17,520,000 FROM THE PRIVATE EXPORT FUNDING CORPORATION (PEFCO) WILL FINANCE 30 PERCENT OF U.S. PURCHASES. A CREDIT OF DOLS 11,680,000 FROM WELLS FARGO BANK INTERNATIONAL WILL COVER 20 PERCENT OF U.S. PURCHASES AND THE BORROWER WILL MAKE CASY PAYMENT OF DOLS 5,840,000 OR 10 PERCENT, REPRESENTING THE BALANCE.

EXIMABANK'S INTEREST RATE OF 8 PERCENT PER ANNUM, IS BASED ON A PRELIMINARY COMMITMENT AUTHORIZED EARLIER. THE LOANS ARE TO BE REPAID OVER 10 YEARS BEGINNING NOVEMBER 30, 1978, WITH EXIMBANK'S CREDIT TO BE REPAID OUT OF A PORTION OF THE 12TH INSTALLMENT AND ALL OF INSTALLMENTS 13 THROUGH 20. REPAYMENT OF THE EXIMBANK CREDIT AND THE PEFCO CREDIT IS TO BE GUARANTEED BY THE FEDERATIVE REPUBLIC OF BRAZIL.

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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PRESS RELEASE ON EXIMBANK CREDIT TO BRAZIL FOR YOUR INFORMATION ONLY, FOLLOWING IS FINAL TEXT OF  
**TAGS:** APUB, EAID, BR, US, XMB  
**To:** BRASILIA RIO DE JANEIRO  
**Type:** TE  
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